

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the Mayor be authorized to sign an Assumption and Loan Modification Agreement by and between the City of El Paso, James C. Klassen and Gustavo Andazola concerning the property located at 515 W. Missouri.

APPROVED this 20th day of **April, 2004**.

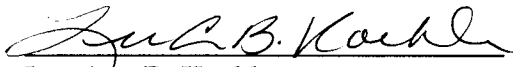
THE CITY OF EL PASO

Joe Wardy
Mayor

ATTEST:

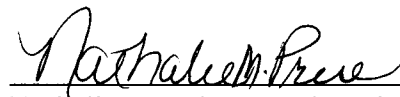
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Lee Ann B. Koehler
Assistant City Attorney

APPROVED AS TO CONTENT:



Nathalie M. Prise, Interim Director
Community and Human Development

ASSUMPTION AND LOAN MODIFICATION AGREEMENT

This Assumption Agreement is executed this 20th day of April, 2004, among JAMES C. KLASSEN ("Owner"), the CITY OF EL PASO ("City"), and GUSTAVO ANDAZOLA ("New Owner"), with reference to the following facts:

A. Owner is obligated to the City pursuant to certain loan documents, including a Loan Note dated August 13, 1996 and 2 Secured Grant Notes, dated August 13, 1996 (the "Notes"), payable to the order of the City in the face amount of \$112,000.00, \$89,400.00 and \$78,600.00, said Notes are secured by a Builder's and Mechanic's Lien Contract and a Deed of Trust dated August 13, 1996, filed of record in Volume 3099, Page 644, Real Property Records of El Paso County, Texas (the "Deed of Trust") against the following property:

Lot 22 and the West 10.10 feet of Lot 21, Block A, STEVEN'S ADDITION, an Addition to the City of El Paso, El Paso County, Texas, according to the Plat thereof on file in Volume 2, Page 60, Plat Records in the Office of the County Clerk of El Paso County, Texas (the "Property").

B. The Notes, Builder's and Mechanic's Lien Contract, Deed of Trust and other loan documents (the "Loan Documents") provide that the Property is not to be conveyed without the prior written consent of the City. Owner desires to convey the Property to the New Owner, and New Owner desires to assume the obligations of Owner under the Loan Documents. The City is willing to accept New Owner as an assumptor under the Loan Documents on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Obligation Assumed. New Owner hereby assumes and promises to pay and perform all obligations, covenants and liabilities under the Loan Documents. The City consents to allow the assumption and transfer of the Property to New Owner and to accept New Owner as obligor under the Loan Documents with the condition that the principal and interest of the Loan Note dated August 13, 1996, in the original amount of \$112,000.00, be reduced by the sum of \$15,000.00 to be paid in full immediately by New Owner, upon approval of this Agreement by the City. It is understood and agreed by the parties that the consent granted herein does not apply to any future conveyance of the Property, so that the prohibition against conveyance set forth in the Loan Documents remains in full force and effect. New Owner hereby assumes and promises to pay the unforgiven balance on the Secured Grant Notes, in the amounts of \$89,400.00 and \$78,600.00 respectively, in accordance with the original terms and conditions set forth in the secured Grant Notes. New Owner and City further agree that the Secured Grant Notes will be forgiven in their entirety once the requisite number of required monthly loan payments on the Loan Note have been made by New Owner.

2. Modification of Note. New Owner hereby expressly agrees that the Loan Note dated August 13, 1996, shall be and is modified by the term of the Loan Note being reduced by the lump sum payment of \$15,000.00 required and referenced in Section I of this Agreement. Said payment represents delinquent principal and interest due under the Loan Note and future

principal payments paid in advance to City as consideration to induce City to enter into this Assumption Agreement. Following the lump sum payment by New Owner, New Owner shall continue to make consecutive monthly payments in the amount of \$621.15 as stated in the Loan Note until the entire principal balance and accrued interest on the Loan Note is paid in full by New Owner. The first required monthly loan payment shall be due on June 1, 2004 and shall continue for the remaining monthly payments representing the term of the Loan Note, as modified by this Agreement.

3. Lien Priority. Owner and the New Owner acknowledge that the Property remains subject to the liens, conditions and agreements set forth in the Loan Documents, and that nothing contained herein shall affect those liens or the priority thereof over any other liens.

4. Insurance and Taxes. New Owner hereby agrees to provide the City with fire and extended coverage insurance as required by the Loan Documents, and the New Owner acknowledges its obligation to pay the real estate taxes imposed on the Property pursuant to the Loan Documents.

5. Owner Released. Provided that New Owner closes on the purchase of the Property, JAMES C. KLASSEN, Individually and ALBERT R. BLOXOM, Guardian of the Estate of JAMES C. KLASSEN, an Incapacitated Person, are hereby released from all liability under the Loan Note dated August 13, 1996 and the two Secured Grant Notes, dated August 13, 1996, payable to the order of the City of El Paso in the face amounts of \$112,000.00, \$89,400.00 and \$78,600.00, respectively and; they are further released from all liability for performance of the obligations contained in the Builder's and Mechanic's Lien Contract and Deed of Trust dated August 13, 1996 filed of record in Volume 3099, Page 644, Real Property Records of El Paso County, Texas; said Builder's and Mechanic's Lien Contract and Deed of Trust securing the Notes recited herein.

6. Miscellaneous.

a. The provisions of the Loan Documents shall remain in full force and effect and unmodified, except as herein stated. The liens created in the Loan Documents remain unchanged and are brought forward and renewed herein. New Owner agrees to execute documents as requested by the City in order to obtain the City's consent to the transfer and to effectuate the transfer of the property between Owner and New Owner.

b. This Agreement is made pursuant to the laws of the United States and the State of Texas, and shall be construed in accordance therewith, and this Agreement is performable in El Paso County, Texas.

c. This Agreement shall be binding on, and inure to the benefit of, the parties and their heirs, personal representatives, successors and assigns.

THIS AGREEMENT CONTAINS THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND SUPERSEDES ANY PRIOR WRITTEN OR ORAL AGREEMENTS AMONG THEM CONCERNING THE SUBJECT

MATTER HEREOF. THERE ARE NO REPRESENTATIONS, AGREEMENTS, ARRANGEMENTS OR UNDERSTANDINGS, ORAL OR WRITTEN, AMONG THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF THAT ARE NOT MENTIONED HEREIN.

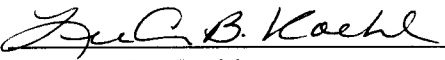
THE CITY OF EL PASO

Joe Wardy
Mayor

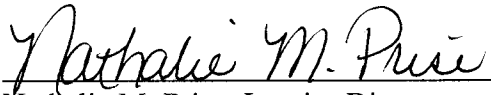
ATTEST:

Richarda Duffy Momsen
City Clerk


APPROVED AS TO FORM:


Lee Ann B. Koehler
Assistant City Attorney

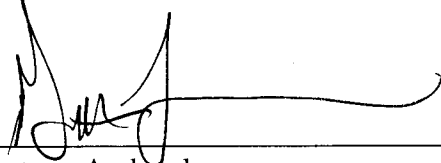
APPROVED AS TO CONTENT:


Nathalie M. Prise, Interim Director
Community and Human Development

OWNER:


Albert R. Bloxom, Guardian of the Estate
of James C. Klassen

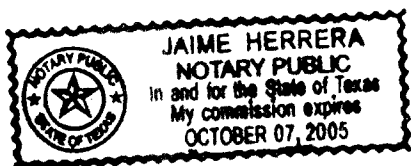
NEW OWNER:


Gustavo Andazola

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

Before me, the undersigned Notary Public, on this 13th day of April, 2004, personally appeared ALBERT R. BLOXOM, Guardian of the Estate of James C. Klassen, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

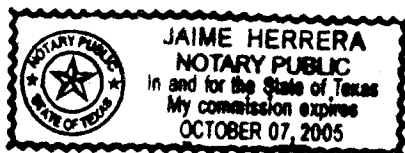


[Signature]
Notary Public in and for the State of Texas

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

Before me, the undersigned Notary Public, on this 13th day of April, 2004, personally appeared GUSTAVO ANDAZOLA, a resident of Santa Teresa, New Mexico, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.



[Signature]
Notary Public in and for the State of

(Acknowledgment)

STATE OF TEXAS)
)
COUNTY OF EL PASO)

Before me, the undersigned Notary Public, on this _____ day of _____, 2004, personally appeared JOE WARDY, as Mayor of THE CITY OF EL PASO, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of said corporation and for the purposes and consideration therein expressed.

Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:

Lee Ann B. Koehler
Assistant City Attorney
Office of the City Attorney
2 Civic Center Plaza, 9th Floor
El Paso, Texas 79901-1196